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TWO DOLLARS

SELLING TO THE SHOW CIRCUIT 24

SERVICE: DEEP-CYCLE BATTERIES 3

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RV BUSINESS

JUN 1988

More Firms Pull Out of Midwest Show

Several manufactured-housing companies and one of Coachmen Industries Inc.'s five RV-making divisions have withdrawn from this August's 34th Annual Midwest Show in South Bend, Ind., confirmed officials of the sponsoring Indiana Manufactured Housing Association/ Recreation Vehicle Indiana Council (IMHA/RVIC).

Consequently, Midwest Show Manager Sue Bartee reported, square-footage commitments are down somewhat from a year ago. While 235,000 square feet of space were occupied in the exterior block areas at last year's show, IMHA/RVIC thus far has sold 218,000 square feet. IMHA/ RVIC still has about 40 inside supplier booths for lease, but, Bartee predicted, all will be spoken for before the show.

Pulling out of this year's show are manufactured-housing companies Patriot Homes Inc., Elkhart, Ind.; Victorian Homes Inc., Middlebury, Ind.; Sterling Corp., White Pigeon, Mich.; Champion Home Builders, Ridgeville, Ind.; and The Commodore Corp., Goshen, Ind., as well as the Middlebury, Ind.-based Coachmen Recreational Vehicle Co. (CRV).

These withdrawals have left IMHA/RVIC searching for a long-term direction for the August trade-and-retail event. The late-summer South Bend Show is one of the nation's three pivotal RV-trade events, all of which have experienced declining attendance in recent years as manufacturers increasingly turn to private dealer meetings for their model-year introductions.

Skyline Corp., based in Elkhart, left the show some years ago. Fleetwood Enterprises Inc., Riverside, Calif., withdrew last year, opting instead for a series of regional dealer gatherings. Fleetwood will continue to stay away this year, and CRV tentatively is not planning to return to the show, either, according to CRV President Claire Skinner.

CRV has been holding private, regional new-model unveilings for dealers in August for several years. And last year, Skinner explained, CRV combined its new-model showing with its annual dealer seminar, which was formerly held in January. "That's what was so successful, and we're repeating that this year," Skinner said.

Skinner added, however, that the timing of CRV's meeting was the only major obstacle to showing in South Bend. She still

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GENERATOR WARS: The entry of two new firms and the introduction of several product innovations have intensified the battle in the RV-generator industry. See page 18.

Trade Group Seeks Action On 'Gypsy' Sales

Fly-by-night RV peddlers came under fire during the April 20-21 meeting of the Recreational Vehicle State Executive Council (RVSEC), a federation of state RV associations set up last fall by trade-group executives from Florida, Texas, Indiana, Pennsylvania, Michigan, West Virginia and Canada.

Meeting at RVIA's headquarters in Reston, Va., RVSEC executives addressed continuing problems with unethical individuals selling recreational vehicles in campgrounds, gas stations and malls without state sanctions and—in most cases—without manufacturers' authorizations.

RVSEC will lobby for legislative action, more stringent dealer requirements and better enforcement of existing state laws against "curbstone" RV salesmen, according to Terry Varvil, RVSEC president and executive director of the Florida RV Trade Association.

"Even in the states that are semi-effective in eliminating the 'gypsies' from operating, they still operate," said Varvil. "There are sales losses to dealers and manufacturers of legitimate products that are warranteed and guaranteed, and losses to the tax revenues of every state in which they operate. It is a problem that we in Florida are working on very hard, and it's still a problem in other states."

In addition to legislative pressure, RVSEC will be offering

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JUNE 1, 1988 TWO DOLLARS

RV BUSINESS

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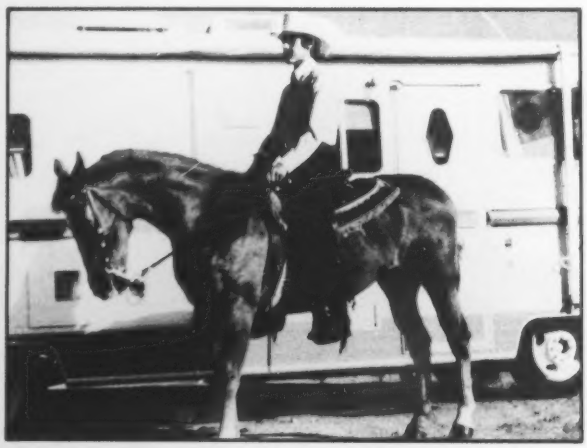

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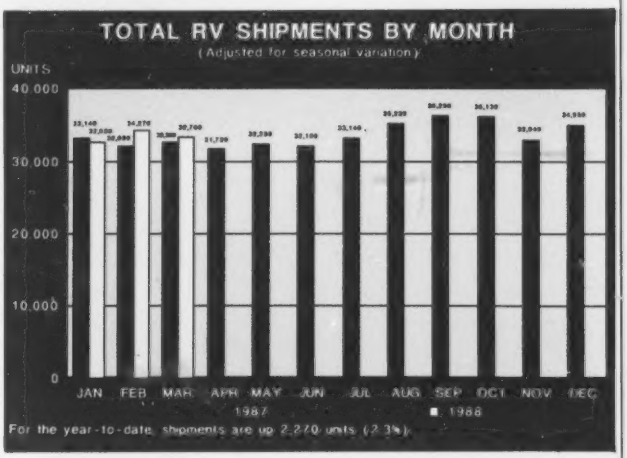

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COVER ILLUSTRATION: KIRK BOTERO

SOME GOOD NEWS IN MARCH

MORTON J. MARCUS

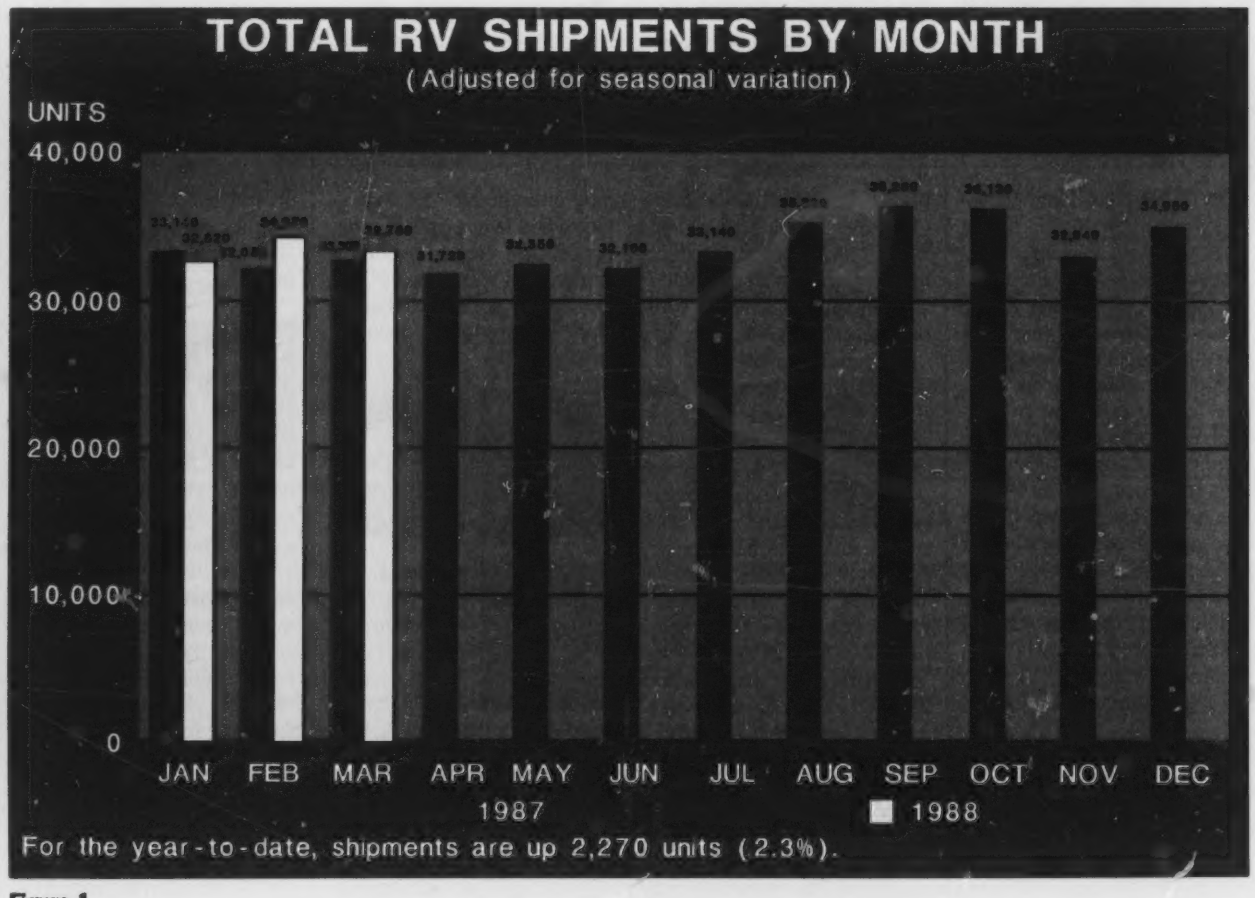

Figure 1

March is the first of the Big Three months for RV shipments. One-third of all shipments occur in this quarter of the year: In the past 21 years, March, April and May have generated, on the average, 127,100 units of the 381,700 annual average from 1967 through 1987.

Thus, based on the latest RVIA shipment data, March has some good news for the industry. RVIA reported 39,900 units shipped in March 1988. This sum was an increase from March of a year earlier, when 39,100 units were shipped.

Actually, March 1988 continues an upward trend in shipments in this bellwether month. In 1985, 34,400 units were shipped during March. The next year, the total rose to 35,200.

When adjusted for normal seasonal variation, shipments in March were 1.8% ahead of the same month a year ago. *(See Figure 1.)* Although March shipments were down by nearly 900 units from the very strong February 1988 level, total shipments for the year-to-date also were running nearly 2,300 units (2.3%) ahead of 1987.

The Detailed View

The March shipments decline from February, which was the strongest February in a decade, was primarily due to a 1,400-unit fall in the number of seasonally adjusted shipments of van conversions. Towables and motorhomes both advanced in March from the preceding month. *(See Figure 4.)*

For the year-to-date, towables were up nearly 2,000 units from the first quarter of 1987. The biggest volume gains were made by fifth-wheels and folding camping trailers, which have each gained nearly 1,400 units in the first quarter of 1988 compared with the same period of 1987. This strength gave the towables group its increase for the year-to-date, while other model types have had offsetting losses.

Motorhomes, by contrast, were off for the quarter by about 500 units. Class C motorhomes dropped 700 units, and Class B units were down about 400 units. Class A units, however, were running more than 500 units ahead of a year ago.

And van conversions were more than 900 units ahead for the year-to-date because their March decline followed a very strong February, which may have been just a temporal displacement in shipments.

For the year-to-date, the market share of van conversions remained flat. *(See Figure 2.)* At this point in 1987, conversion units held 45.9% of the total

GRAPHICS: CUSTOM COLOR VISUALS

RVIA SHIPMENTS

MARKET SHARE BY TYPE OF UNIT
(Year-to-date, adjusted for seasonal variation)

	1988	1987
Travel Trailers:		
Conventional	14.3	15.8
Park Models	2.0	1.8
Fifth-wheels	7.7	6.5
Folding Camping Trailers	10.9	9.8
Truck Campers	2.7	2.6
Motorhomes:		
Class A	9.6	9.2
Class B Van Campers	1.2	1.6
Class C		
Minis	4.7	4.7
Low Profile	0.5	0.8
Micro-minis	0.6	1.3
Multi-use Van Conversions	45.8	45.9
Total RVs	100.0	100.0

Detail may not add to total because of rounding.

Figure 2

RV SHIPMENTS BY TYPE OF UNIT
(Adjusted for seasonal variation)

	Selected Quarters 86:1	87:1	88:1
Rising trend:			
Fifth-wheels	5,910	6,330	7,700
Folding Camping Trailers	9,400	9,570	10,920
Truck Campers	1,700	2,590	2,660
Class A Motorhomes	7,610	9,030	9,570
Class C Minis	4,170	4,570	4,710
Mixed trend:			
Travel Trailers	13,770	15,490	14,350
Park Models	1,940	1,780	1,990
Class B Van Campers	1,280	1,600	1,220
Class C Micro-minis	980	1,270	620
Multi-use Van Conversions	47,580	44,970	45,910
Declining trend:			
Class C Low Profile	810	750	550
Total RVs	95,150	97,920	100,190

Detail may not add to total because of rounding.

Figure 3

market; in 1988, the figure came in at 45.8%. Meanwhile, strong market-share gains were recorded by folding camping trailers and fifth-wheel trailers, each gaining more than a full market-share point in the first three months of 1988. Balancing those gains, a full point loss was borne by Class C motorhomes and conventional travel trailers.

Noteworthy Trends

If three points can signify a trend, consider the following: Five types of units show rising trends of improved performance. *(See Figure 3.)*

Only low-profile Class C motorhomes had a declining trend from 1986 to 1988. That leaves the remaining five types with mixed, indeterminate trends.

In this mixed group, conventional and park-model travel trailers both were ahead of where they were in 1986, although their paths have been different. Conventional travel trailers had a very strong first quarter in 1987, while park models fell last year compared with their 1986 opening performance.

Van campers and micro-minis were both down this year, after improved shipments last year. The disturbing aspect of these two sectors of the industry is that their 1988 first-quarter shipments were not only off from 1987 but came in below their 1986 levels.

Van conversions recovered from their weakness in the first quarter of 1987 but remained below their 1986 activity level.

Finally, for the industry as a whole, shipments were up in the first quarter of 1988 by 2,200 units, which came on the heels of a 2,700-unit increase between the first quarters of 1986 and 1987. Δ

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RV SHIPMENTS BY TYPE OF UNIT
(Adjusted for seasonal variation)

TYPE:	MAR 1988	PERCENT CHANGE FROM FEB	YEAR-TO-DATE 1988	1987	PERCENT CHANGE
TOTAL RVs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Travel Trailers:					
Conventional	4,890	2.7	14,350	15,490	-7.3
Park Models	630	-6.8	1,990	1,780	12.0
Fifth-wheels	2,540	3.7	7,700	6,330	21.6
Folding Camping Trailers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Truck Campers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Motorhomes:					
Class A	3,350	0.2	9,570	9,030	6.0
Class B Van Campers	500	12.8	1,220	1,600	-23.4
Class C:					
-Mini	1,760	16.8	4,710	4,570	3.1
-Low Profile	270	94.6	550	750	-26.8
-Micro-mini	170	-44.4	620	1,270	-51.4
Multi-use Van Conversions	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Note: Percentages are computed from unrounded data.

Figure 4